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DALE PROPERTY SERVICES, LLC ATTN: RECORDING TEAM 500 TAYOLR ST. STE 600 FORT WORTH, TEXAS 76102

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MARY LOUISE GARCIA TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE **100 WEST WEATHERFORD** FORT WORTH, TX 76196-0401

DO NOT DESTROY

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE W/ OPTION v. 5

PAID UP OIL AND GAS LEASE (No Surface Use)

Electronically Recorded Chesapeake Operating, Inc.

THIS LEASE AGREEMENT is made this 7th day of March, 2011, by and between Charles N. England, widower whose address is 5408 Humbert Avenue, Fort Worth, Texas 76107, as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., AN OKLAHOMA LIMITED LIABILITY COMPANY, whose address is other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leading to the party hereinabove and the covenants herein contained to the party hereinabove and the covenants herein contained to the party hereinabove and the covenants here

.146 ACRES OF LAND, MORE OR LESS, BEING <u>BLOCK 102 LOTS 35 AND 36</u>, OUT OF THE <u>CHAMBERLAIN ARLINGTON HEIGHTS SECOND</u>, AN ADDITION TO THE CITY OF <u>FORT</u>, <u>WORTH TARRNT</u> COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME <u>63</u>, PAGE <u>40</u>, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the county of TARRANT, State of TEXAS, containing .146 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shifting revalling hereunder, the number of cross acres above specified shall be deemed correct, whether actually more or less. the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise. in effect pursuant to the provisions hereof.
- Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be <u>Twenty Five Percent</u> (25)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the nearest field in which there is such a prevailing price) for wellineard of the Lesson's determinating in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty Five Percent (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which lessee the producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such self or production there from is not being sold by Lessee, such self or production there from is n
- payments.

 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production there from, this lease shall remain in force so long as any one or more of such operations are prosecuted with one cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no cove
- additional wells except as expressly provided herein.

 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authorny exists with respect to such oner lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component thereof. In exercising its pooling rights hereunder. Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total goss acreage in the unit, but only to the extent such proportion of unit production which the other conditions of the condition of the condition of the total unit production or or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either be
- of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

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8. The interest of either Lessor or Lessee herounder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or onte, and the rights and obligations of the parties herounder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. Not change in incasor, ownership to the calcularity of the clinical participation of Lessee herounder, and not change in ownership to the satisfaction of Lessee and the control of the con

Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of Two (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners. with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Signature: Sharles N. England
Printed Name: Charles NEtryland Signature: Printed Name: ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF TARRANT day of MARCH, 2011, by Charles England A Undower This instrument was acknowledged before me on the Notary Public, State of Texas Jummal Notary Public, State of Texas Notary's name (printed): Par Jummal Notary's commission expires: PHILLIP A. CARAWAY
Notary Public, State of Texas
My Commission Expires March 23, 2017 ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the day of , 2011, by Notary Public, State of Texas Notary's name (printed): Notary's commission expires: CORPORATE ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the

day of

corporation, on behalf of said corporation.

Notary Public, State of Texas Notary's name (printed): Notary's commission expires:

, 2011, by

_of